

F. P. McFARLAND
TOOELE, UTAH
Phone - (801) 882-2174

S/045/046
S. K. HULLINGER
TOOELE, UTAH
Phone - (801) 882-5306

McFARLAND AND HULLINGER

MINING • ORE HAULING • CONTRACTING

PHONE: TOOELE (801) 882-0103

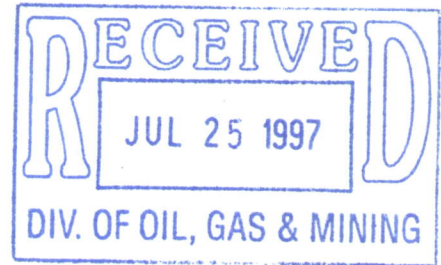
SALT LAKE CITY: (801) 363-1683

P.O. BOX 238

TOOELE, UTAH 84074

July 24, 1997

D. Wayne Hedberg
Permit Supervisor
Department of Natural Resources
Division of Oil, Gas and Mining
Box 145801
Salt Lake City, Utah 84114-5801



Re: DOGM File Number (Mine No): S/045/046
Mine Name: SIO2 4&5 (Quartzite Open Pit Mine)

Dear Mr. Hedberg:

As we discussed on the telephone on January 22, 1997, we have notified the BLM of our intention to construct a drilling access road that is outside the original mine plan. We met at the mine site with Mike Ford, Geologist for the BLM, and discussed three alternative access roads. We chose the road that would be least intrusive to the environment. The road essentially follows the upper Lake Bonneville water mark from a limestone ridge in section 21 over to the northeast limit of our approved pit, from there we would begin to develop a major mine bench.

I have enclosed the mine drawing that we presented to the BLM along with other required BLM information. The new disturbance will involve a road about 700 feet in length and wherever possible will be kept under 12 feet in width. We anticipate the resulting disturbance to be less than .20 acres. We have colored in the road in question on the drawing. If you have any questions, please call.

As you will note, new regulations promulgated by the BLM now require bonding from the small miners. We thus, have obtained a bond for the mine in question regarding eventual reclamation. The pertinent information is included in the information to the BLM.

I also enclosed for your convenience, our Initial Notice to UDOGM of our Intent to Commence Mining Operations and our last Annual Report of Mining Operations. We currently are on schedule to mine over 75,000 tons of silica ore in 1997. We thank you for the support you have provided to McFarland and Hullinger over the years, and as always, we will cooperate in every feasible way with your department.

Yours very truly,


Sidney K. Hullinger
CEO

Enclosures

cc: Mike Ford (without enclosures)